

Source & co-create new solutions for Development Innovation Ventures
Addendum #000005
to
The USAID Development Innovation Accelerator
Broad Agency Announcement (BAA) for
Science, Technology, Innovation and Partnership

Development Innovation Ventures (DIV) is an innovation fund within USAID that sources, tests, and supports the growth of proven, cost-effective interventions.¹ Using a venture-capital approach, DIV directly invests USAID dollars through its global platform in solutions that have the potential to achieve sustainable scale. Ultimately, DIV's vision is to be a leader of a new approach to international development by investing to enable disruptive solutions to impact millions and promoting more effective, results-driven public spending.

DIV provides early capital to these higher risk solutions in hopes of demonstrating their impact and viability so others may further invest to help them reach greater scale. DIV believes that game-changing solutions can come from anyone, anywhere. DIV does not outline specific problems to be solved or provide solutions we wish to source. Instead DIV wants to hear from those closest to the issue about what they think is the right solution for a given issue. We look for the following three qualities in the solutions that we source:

- (1) *demonstrable impact* - rigorous evaluation of what works and what does not, scaling only those solutions proven to produce development outcomes.
- (2) *cost effectiveness* - potential to deliver greater development impacts per dollar than standard practice.
- (3) *potential to reach scale* - a plan to deliver and maintain widespread impact by increasing the geographic scope of operations and reaching financial sustainability beyond DIV's support through private or public funding or a combination.

To promote continuous iteration and growth beyond pilots, DIV invests in organizations at the different stages of growth outlined below. We do not fund initial prototypes, but focus on the following DIV stages of development:

- (1) *proof of concept* - introduction of a solution to target customers/beneficiaries in a developing country context to gain an early, real-world assessment of technical, organization, distribution, and financial viability of the solution.
- (2) *testing impact and delivery* - testing a proven concept for social impact, improved outcomes and/or market viability, as well as operational refinement to build paths to sustainability and scale.

¹ Innovations include new technologies, new ways of delivering and/or financing goods and services, more cost-effective adaptations of existing solutions, new ways to increase uptake of existing proven solutions, etc.

(3) *scaling-up* - adaptation of a rigorously evaluated innovation to new contexts and geographies and engagement additional partners who will help scale the project beyond DIV support, but for whom more evidence of success and track record are needed.

While DIV will consider proposals at all three stages, we anticipate greater potential for co-creation at the 'testing impact and delivery' and 'scaling-up' stages.

Objective:

To discover innovations to source, test, and support the growth of proven, cost-effective interventions within one or more of the nine Lab focus areas identified in [Section III.A. of the BAA](#).

Request for Submission:

Letter of Interest: Letters of Interest must indicate the research or development idea which will work towards discovering potential solutions to the Objective by increasing knowledge and understanding of potential solutions, exploiting scientific discoveries or improvements in technology, materials, processes, methods, devices, or techniques, advancing the state of the art, or using scientific and technical knowledge in the design, development, testing, or evaluation of a potential new product or service (or of an improvement in an existing product or service). Please submit a letter of interest by your organization to collaborate and/or co-create with USAID DIV in the form of a short paper (approximately 4 pages of written responses). Please use the required [template available on the DIV website](#) to submit your Letter of Interest paper.

All individuals and/or organizations who fulfill the criteria listed below, as well as the criteria listed in [Section IV of the BAA](#) for Science, Technology, Innovation and Partnerships are encouraged to express interest.

Although DIV accepts ideas in any country or sector, the letter of interest submitted in response to this Addendum must outline how the idea aligns with one or more of the nine Lab focus areas identified in [Section III.A. of the BAA](#). If accepted, the letter of interest will lead to a Concept Paper. Requests to submit of a letter of interest or concept paper are not funding guarantees.

The following criteria will be applied to all letters of interest:

- (1) Potential to address a significant development challenge in a cost-effective way
- (2) Ability to generate data or evidence to prove development impact
- (3) Potential to scale operationally and sustain activities beyond USAID financial support
- (4) Capacity of the Innovator/Innovation Team to successfully implement the innovation

Concept Papers: Letters of interest that satisfactorily meet the above criteria and the General Criteria for Consideration outlined in [Section IV of the BAA](#) will be asked to submit a concept paper. The document will consist of 3-7 pages, outlining the solution and discrete goals of the particular partnership, with well-defined metrics, timelines, deliverables, etc. Final concept

papers will be submitted for review to USAID's internal review board. Concept papers receiving review board approval may then move forward for an award.

This concept paper will be co-created by DIV and its partner(s). The concept paper will address three components of the proposed partnership: the innovation, the plan, and the team. Within these components, the paper will reflect DIV's core principles through one or a combination of the following:

The Innovation:

- Clear articulation of a specific innovation to be implemented that will address a significant development challenge in a cost-effective way.
- Potential to reach and produce social benefit for millions of individuals within ten years and contribute to USAID's Mission statement.

The Plan:

- Reasonable tests of technical, organization, distribution, and financial viability and/or development impact in a real-world setting that incorporate metrics for judging success
- Ability of the applicant to successfully implement and execute the project as designed

The Team:

- Relevant experience and expertise to execute the proposed plans
- Understanding of current context on the ground and potential challenges to implementation, and capabilities to address them should they occur

Information Protection:

USAID's goal is to facilitate the research that is required to lead to innovative, and potentially commercially viable, solutions. Understanding the sensitive nature of submitters' information, USAID will work with organizations to protect intellectual property.

Letters of interest should be free of any intellectual property that submitter wishes to protect, as the letters of interest will be shared with USAID partners as part of the selection process. However, once submitters have been invited to engage in further discussions, submitters will work with USAID to identify proprietary information that requires protection.

Therefore, organizations making submissions under this BAA Addendum hereby grant USAID a royalty-free, nonexclusive, and irrevocable right to use, disclose, reproduce, and prepare derivative works, and to have or permit others to do so to any information contained in the letters of interest submitted under the BAA Addendum. If USAID engages with the organization regarding its submission, the parties can negotiate further intellectual property protection for the organization's intellectual property.

Organizations must ensure that any submissions under the Addendum are free of any third party proprietary data rights that would impact the license granted to USAID herein.

Submissions: In addition to this BAA Addendum, DIV can engage applicants in a number of ways, interested applicants may also review DIV's [Annual Program Statement](#), for which a letter of interest may also be submitted.

Note: All communication and inquiries should be done through DIV@usaid.gov and applications should be submitted to DIVApplications@usaid.gov. Applications sent by any other means (including Grants.gov) will not be considered.

Response timing: Organizations should submit their letter of interest, in English only, to divapplications@usaid.gov, no later than January 15th, 2015. Submissions received after this date will be accepted on a rolling basis.